

INNOVATION INTERRUPTED

It's the award-winning meat producer that had the world at its feet until COVID-19 put it temporarily on ice. **Katherine Fleming** tracks the remarkable story of a WA wagyu lamb enterprise.



Under normal circumstances, hearing that your product had won a national accolade would be welcome news. For the founder of Mottainai Lamb — the new 'waygu' that took the world by storm last year — it was distinctly bittersweet.

Before COVID-19, there was significant buzz about Mottainai's signature 30 per cent marbling and its sustainability credentials, courtesy of a feed mix harnessing horticultural waste, including imperfect carrots and olive oil.

But now the promising business finds itself temporarily on ice, cut off from its customer base in luxury overseas restaurants by pandemic-related travel bans, hotel closures and higher freight costs.

Ironically, this week Mottainai Lamb won a prestigious gold medal at the annual produce awards voted by foodie magazine delicious. It was rapid recognition of its reputation after only 12 months in the Australian market.

The meat, high in oleic acid and omega three fats, had become a sought-after ingredient in top restaurants locally, including Clarke's of North Beach and Young George. It was even more established in five-star establishments overseas, including in Singapore, Las Vegas and Tokyo, and was

set to double its monthly output from last year.

The business was founded in 2016 by lawyer and agricultural entrepreneur Suzannah Moss-Wright and partners Nick Tana, head of vegetable giant Sumich Group, and Zorzi home builders chairman Wally Zorzi. Tana said the decision to park Mottainai, including redeveloping workers from its base at Eaglehawk farm near Lancelin to other parts of his business, was a commercial one.

Until the COVID-19 pandemic subsided,

he said they "would only be punching at shadows".

For Moss-Wright, who developed the concept of using horticultural waste to produce marbled meat and worked with husband Deon Moss for two years to develop the right feed mix, the disappointment was palpable that a business with such potential had stalled.

The former head of a private bank in London, she had now returned to work at her law firm, Carnaby Legal, and Moss had gone back to teaching.

But Moss-Wright, pictured left, said she had come to an agreement with her partners to take over the Mottainai Lamb brand, along with the feed mix, and wanted to be back up and running by early next year. Instead of focusing on one farm, she was interested in producing from multiple sites.

The initial focus would be on supplying the Australian market, both retail and restaurants, because

COVID-19 had made international air freight prohibitively expensive. But she hoped to slowly re-

enter the more accessible overseas markets, including Singapore and Hong Kong. Moss-Wright said despite the challenges of the past six months, she was far from finished with innovation in agriculture.

She had had a career working for the world's wealthiest people — once negotiating settlement on a Monaco-based super-yacht by taking out a mortgage on the buyer's castle in Scotland, where Madonna got married — her heart belonged to Australian farmland.

Moss-Wright was exploring new feed types, including beetroot, sweet potato, pumpkin, celery and citrus, and canvassing other premium products she could produce, ranging from Australian-made woollen tweed and leather to cosmetics, skincare and bone broth.

Moss-Wright still believed in the philosophy behind Mottainai — a Japanese word conveying regret about waste — which aimed to improve the nutritional quality of meat while diverting 5000 tonnes from landfill a year.

And despite the toll COVID-19 had taken on the business, she said it had also accelerated the consumer trends that had underpinned its success in the first place, including a focus on quality over quantity and supporting local jobs and production. "I think what we do makes sense. I



Early court victory for Apple in apps war

Apple has been spared from having to immediately reinstate Epic Games' Fortnite on its App Store in an early court victory for the iPhone maker in an intensifying battle over the tolls charged to app makers.

But US District Judge Yvonne Gonzalez Rogers' ruling on Monday wasn't a total loss for Epic, as she granted the company's request for a temporary order blocking Apple from limiting the

game developer's ability to provide Unreal Engine, key graphics technology, for other apps.

The mixed ruling comes as Apple faces a backlash from some app developers who say its standard App Store fee of 30 per cent and other policies are unfair.

The fight blew up when Epic told customers it would offer a discounted direct purchase plan for items in Fortnite, and Apple then removed the app.



Blackmores slashes jobs

Vitamins supplier Blackmores is cutting more than 100 jobs after Chinese shoppers slashed spending amid COVID-19.

The group yesterday reported a 66 per cent plunge in annual net profit to \$18.1 million and said it would cut about 10 per cent of its 1400-strong workforce as part of "an organisational redesign".

Sales by Blackmores' Australian arm to Chinese shoppers crashed 16 per cent between

January and June as government restrictions prevented travel between the two countries.

Blackmores also axed its final dividend after paying a fully franked 70¢ a share a year earlier.

Management said it expected full-year profit growth by the group this financial year but did not provide guidance. Blackmores shares closed \$4.28, or 5.6 per cent, off at \$71.58, revaluing the group at \$1.4 billion.

Suzannah Moss-Wright.
Picture: Ian Munro

There will be that interest in investing back into Australia but it has to be honest and real and authentic. SUZANNAH MOSS-WRIGHT

believed if I could offer a superior quality product, I could aim to be 30 per cent more than the market and people would invest in that," Moss-Wright said. "It is more expensive to recycle organic waste than to just go and buy grain or cereals but it is not good enough just to bury that stuff in the ground."

The pandemic could be a watershed moment as Australians reassessed the value of local manufacturing, Moss-Wright said.

"There will be that interest in investing back into Australia but it has to be honest and real and authentic," she said.

"We have to back ourselves that people will purchase Australian made products ... When I see the live export or the carcass trade, we use all of Australia's resources to produce that animal but ship it offshore for processing because it's cheaper. To me, we should be putting those jobs into Australia and not be afraid to make it more expensive."

Part of Moss-Wright's motivation stemmed from her unique skill set: a seventh generation farmer and international trade lawyer, with knowledge of shipping regulations and commodity markets, a science degree and a masters in economics.

But another source of inspiration was more left-field: Tom Perkins, the famous late Amer-

ican venture capitalist who masterminded The Maltese Falcon yacht. In late 2005, Moss-Wright met Perkins on a flight to Turkey, when he asked her to attend the top-secret sea trials where he would learn if the reported \$US150 million he had invested into the ground-breaking design and the nay-saying he had endured was worth it. The rest, of course, was history: the Falcon was a resounding success.

But what stayed with Moss-Wright was his self-belief. She remembers that in his pocket, he carried a letter from UBS Warburg, dated in the early 1980s, rejecting his funding request to develop his prototype of the mobile phone because it didn't believe anyone would want to be contacted 24 hours a day.

"He carried it around as a reminder. I think of that in those moments in my head as to why I persevere when I am told I'm wrong, or I'm a girl in a man's world, that I don't fit the moulds," Moss-Wright said.

"I met amazing entrepreneurs ... They all said that you have to believe in yourself, you have to have a passion and a purpose. You can't just want to make money because that is not what life is about. I'm passionate about sustainable manufacturing, giving our kids a future. That is worth fighting for. Sometimes you have to step backwards to go forward."

Hackles raised over header driver pay

A row has broken out between grain growers and Agriculture Minister Alannah MacTiernan after she said farmers should consider paying harvest workers more to attract people to the industry.

Ms MacTiernan said yesterday farmers needed to pay skilled header drivers more than \$25 an hour for the 2020 harvest.

Her comments come as the

State's grain industry faces a drastic shortage of drivers for the looming harvest. Farmers cannot access European farm workers because of COVID-19 travel restrictions.

WAFarmers grains section president Mic Fels said many farmers were irritated by the minister's comments.

"It's very unhelpful to our cause when trying to attract people to the industry to say

we're not paying enough," he said.

Mr Fels said farm businesses conducted their own pay negotiations but in general, only inexperienced, first-time drivers were being offered \$25 an hour.

Shadow agriculture minister Steve Thomas said Ms MacTiernan's comments were an insult and a slap in the face for hardworking farmers.

Punters hit sell button as outlook disappoints

STUART MCKINNON

Shares in Western Areas closed down nearly 5 per cent after investors balked at softer than expected guidance and higher than forecast capital costs for its Odysseus project.

The sell-off came despite the nickel miner doubling its annual profit to a seven-year high on the back of higher nickel prices and an improved operational performance.

Western Areas reported net profit for the year had surged 123 per cent to \$31.9 million.

The jump came on the back of a lift in its average realised nickel price for the year from \$7.84/lb to \$9.42/lb. This translated into a 15 per cent jump in sales revenue to \$308.4m.

But Macquarie research analyst Hayden Bairstow said that while the company's full-year result was better than anticipated, guidance for 2021 was weaker than expected.

The bank noted production forecasts of 19,000-21,000t of nickel was 7-11 per cent lower than its modelling and unit costs of \$3.25-3.75/lb were 6-22 per cent higher than its estimate.

Mr Bairstow also noted higher than expected capital expenditure by the company in 2021, with a budget range of \$136-167m, up to 50 per cent higher than his forecast.

The key variances involved

higher than expected development costs and spending at the company's Odysseus growth project at the historic Cosmos mine near Leinster.

The company noted the additional capital expenditure at Cosmos related to administration and support costs that had been capitalised as part of mine development costs, in line with accounting standards.

The costs included \$10m this financial year, \$10m in 2022 and \$5m in 2023.

The miner declared a final dividend of 1¢-a-share, which combined with the 1¢ interim dividend it paid earlier in the year, put it in line with last year's payout of 2¢-a-share.

Western Areas managing director Dan Lougher, pictured, said the company was set for long-term nickel exposure, in what was expected to be a growing market on demand linked to electric vehicle batteries.

The miner had \$144.8m in cash at the end of June and no debt.

RBC Capital Markets analyst Alexander Hislop said the company's balance sheet remained healthy as it headed into a capital intensive year with investment at Odysseus expected to increase and first production on track for 2023.

Nickel was trading at a 2020 high of \$US14,862/t on the London Metal Exchange late yesterday.

Shares in Western Areas closed 11¢ lower at \$2.32 yesterday.



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EXPRESSIONS OF INTEREST

Maroon Gold Pty Ltd (Receivers and Managers Appointed) ("Maroon Gold")

Expressions of interest are sought for the sale or recapitalisation of Maroon Gold's business and assets.

Maroon Gold owns the recently refurbished Blackjack Processing Plant and licenses for several mining tenements at Charter Towers, 140km south west of Townsville, Queensland.

Key investment highlights:

- estimated resource base of 698koz at an average grade of @4.3g/t;
- strategically located, fully permitted Blackjack CIP 340 Ktpa processing plant;
- 245km² exploration portfolio with several potential drilling targets identified;
- regional endowment of +15moz within economic trucking distance;
- other plant and equipment including potential to buy a leased Tomra X-Ray ore sorter; and
- experienced management team.

Expressions of interest are sought by no later than **5pm (AEST) Friday 28 August 2020**. Interested parties can contact:

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